

HOUSE BILL 2250
By McMillan

AN ACT to amend Tennessee Code Annotated, Title 3,
Chapter 17, Part 1, relative to charitable gaming.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 3-17-103(a)(1), is amended by
deleting the following language:

Annual event applications shall not be considered submitted to the secretary until
in the physical possession of the secretary as evidenced by the secretary's date
and time endorsement on such documentation.

and by substituting instead the following language:

For purposes of the submission deadline, the postmark date on the annual event
application shall be considered the date of submission.

SECTION 2. Tennessee Code Annotated, Section 3-17-103(a)(1)(B), is amended by
deleting the language "Prior to November" and by substituting the language "Except as provided
in subdivision (D), prior to November".

SECTION 3. Tennessee Code Annotated, Section 3-17-103(a)(1), is amended by
adding the following language as a new subdivision:

(D) For the annual event period beginning July 1, 2005 and ending June 30,
2006, a 501(c)(3) organization that submitted an annual event application to the
secretary after November 1, 2004 but prior to January 1, 2005, may resubmit an annual
event application to the secretary by March 15, 2005.

SECTION 4. Tennessee Code Annotated, Section 3-17-103, is amended by adding the
following language as a new subsection:

(f)

(1) Notwithstanding any provision of this chapter to the contrary, a §501(c)(3) organization seeking to operate an annual event for the benefit of such organization located in this state which does not intend to raise gross revenue from such annual event exceeding five thousand dollars (\$5,000) shall submit an annual event application to the secretary:

(A) Prior to March 15, 2005, for the annual event period beginning July 1, 2005, and ending June 30, 2006; and

(B) Prior to November 1 in subsequent years for subsequent annual event periods.

(2) For purposes of the submission deadline provided in subdivision (1)(A), an annual event application shall not be considered submitted to the secretary until in the physical possession of the secretary as evidenced by the secretary's date and time endorsement on such documentation.

(3) For purposes of the submission deadline provided in subdivision (1)(B), the postmark date on the annual event application shall be considered the date of filing.

SECTION 5. Tennessee Code Annotated, Section 3-17-103, is amended by deleting subsection (a)(5)(B)(iii) in its entirety.

SECTION 6. Tennessee Code Annotated, Section 3-17-103, subsection (b) is amended by adding the following language as a new subsection:

(3) In addition to the omnibus list transferred to the clerk of the senate and the clerk of the house by March 1, 2005, the secretary shall transfer an additional omnibus list listing any organizations approved pursuant to §§3-17-103(a)(1)(D) and 3-17-103(f) for the annual event period beginning July 1, 2005, and ending June 30, 2006. The list

shall be transferred in a manner consistent with § 3-17-103(b)(1) on or before April 20, 2005.

SECTION 7. Tennessee Code Annotated, Section 3-17-103(e), is amended by deleting subdivision (2) in its entirety and by substituting instead the following language:

(2) For purposes of this chapter, the postmark date on the financial accounting shall be considered the date of submission.

SECTION 8. Tennessee Code Annotated, Section 3-17-104(a), is amended by deleting the language "For the annual event period beginning July 1, 2005," and by substituting instead the language "Except as provided in § 3-17-103, for the annual event period beginning July 1, 2005,".

SECTION 9. Tennessee Code Annotated, Section 3-17-104(a), is amended by deleting subdivision (12) in its entirety and by substituting instead the following language:

(12) A copy of the minutes from the meeting of the §501(c)(3) organization, signed and attested by the board secretary, indicating the intent to operate an annual event if authorized by the general assembly; provided that::

(A) If a § 501(c)(3) organization's by-laws authorize an executive committee to act on behalf of the full board, such minutes shall reflect an affirmative vote by a majority of the executive committee of the board of directors or trustees of the organization to operate such annual event. In lieu of a copy of the minutes, an organization may submit an affidavit signed by all members of the executive committee of the board of directors or trustees of the organization indicating the intent to operate an annual event if authorized by the general assembly; and

(B) If a § 501(c)(3) organization's by-laws do not authorize such action by an executive committee, such minutes shall reflect an affirmative vote by a majority of the full board to operate such annual event. In lieu of a copy of the minutes, an affidavit

signed by all members of the board of directors indicating the intent to operate an annual event, if authorized by the general assembly.

SECTION 10. Tennessee Code Annotated, Section 3-17-104(a), is amended by deleting subdivision (16) in its entirety and by substituting instead the language:

(16) The location, or locations, of the annual event including the physical site in each county identified by an address or unique descriptive feature at which the annual event will be operated in accordance with §3-17-103(a)(3)(B)(i);

SECTION 11. Tennessee Code Annotated, Section 3-17-104, is amended by adding the following language as a new subsection:

(e)

(1) Notwithstanding any other provision of this section to the contrary, a §501(c)(3) organization filing an annual event application pursuant to §3-17-103(f) shall submit, on a form prescribed by the secretary, the following information:

(A) The name and mailing address of the §501(c)(3) organization;

(B) The name of the event;

(C) The date of the event;

(D) The location of the event;

(E) A description of the type of lottery game to be conducted;

(F) A description of the charitable use of the proceeds from the event;

(G) The name and telephone number of a contact person for the event;

(H) A copy of the organization's determination letter from the Internal Revenue Service showing that the organization is exempt from federal income taxation under § 501(c)(3) of the Internal Revenue Code;

(I) A sworn statement that the organization has been in continuous and active existence as a § 501(c)(3) organization located in Tennessee for at least five (5) years immediately preceding the event date listed in the annual event application; and

(J) A sworn statement that the organization does not intend to gross in excess of five thousand dollars (\$5,000) from the event, if authorized by the general assembly.

(2) All provisions of this chapter not inconsistent with this subsection shall apply to a § 501(c)(3) organization submitting an application pursuant to §3-17-103(f).

SECTION 12. Tennessee Code Annotated, Section 3-17-104(c), is amended by adding the following language to the end of the subdivision (2):

All organizations submitting an annual event application shall pay a fee in accordance with rules promulgated by the secretary pursuant to §3-17-115(b).

SECTION 13. Tennessee Code Annotated, Section 3-17-105(d)(2)(A), is amended by deleting the language "pursuant to §3-17-103(a)(1)" and by substituting instead the language "pursuant to §3-17-103(a)(1) or (f)".

SECTION 14. Tennessee Code Annotated, Section 3-17-106, is amended by adding the following language as a new subsection:

(e)

(1) Notwithstanding any other provision of this section to the contrary, for annual events grossing revenue not exceeding five thousand dollars (\$5,000),

the organization shall file a financial accounting, on a form prescribed by the secretary, including the following:

(A) The gross amount of money received from the annual event;

(B) The amount expended for prizes and administrative costs;

and

(C) The amount of money disbursed, or to be disbursed, to the charitable programs or purposes of the §501(c)(3) organization.

(2)

(A) If the secretary determines that the gross revenue reported in §3-17-106(e)(1) exceeds five thousand (\$5,000) dollars, the §501(c)(3) organization shall remit to the secretary the amount required by §3-17-104(c)(2), less the amount remitted with the annual event application.

Any payment to be remitted pursuant to this subsection shall be submitted with the financial accounting report.

(B) An organization required to remit an additional payment, pursuant to subdivision (e)(2)(A) shall, in the next annual event application period, pay a fee equal to the amount required pursuant to §3-17-106(e)(2)(A).

SECTION 15. Tennessee Code Annotated, Section 3-17-113, is amended by deleting subsection (c) in its entirety and by substituting instead the following language:

(c) The provisions of subsection (a) shall apply to applications and annual events to be conducted on and after July 1, 2005.

SECTION 16. This act shall take effect upon becoming a law, the public welfare requiring it.